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FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/07
 SPONSOR Sandoval LAST UPDATED 02/09/07 HB 371/aHHGAC
 SHORT TITLE Transfer Behavioral Health Services Division SB _____
 ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 212

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 Department of Health (DOH)
 Department of Public Education (DPE)

No Response Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of HHGAC Amendment

The amendment adds the following additional section.

1. On page 3, line 14, before "shall" insert "or to the mental health division of the department of health in Sections 29- 11-1 through 29-11-7 NMSA 1978 or to the department of health in Sections 43-2-1.1 through 43-2-23 NMSA 1978".

2. On page 14, between lines 14 and 15, insert the following new section:

Section 10. Section 43-3-10 NMSA 1978 (being Laws 1985, Chapter 185, Section 3, as amended) is amended to read:

"43-3-10. DEFINITIONS.--As used in Chapter 43, Article 3 NMSA 1978:

- A. "board" means the board of county commissioners of a county;
- B. "department" means the human services department [of health];
- C. "DWI program" means a community program specifically designed to provide treatment, aftercare or prevention of or education regarding driving while under the influence of alcohol or drugs;
- D. "incarceration and treatment facility" means a minimum security detention facility that provides a DWI program;
- E. "planning council" means a county DWI planning council;
- F. "screening program" means a program that provides screening or examination by alcoholism treatment professionals of persons charged with or convicted of driving while intoxicated or other offenses to determine whether the person is:
 - (1) physically dependent on alcohol and thus suffering from the disease of alcoholism;
 - (2) an alcohol abuser who has not yet developed the alcoholism disease syndrome but has an entrenched pattern of pathological use of alcohol and social or occupational impairment in function from alcohol abuse; or
 - (3) neither an alcoholic nor an alcohol abuser such that alcoholism treatment is not necessary; and that provides referral or recommendation of such persons to the most appropriate treatment; and
- G. "statewide substance abuse services plan" means the comprehensive plan for a statewide services network developed by the department that documents the extent of New Mexico's substance abuse problem and statewide needs for prevention, screening, detoxification, short-term and long-term rehabilitation, outpatient programs and DWI programs. The plan shall be based on the continuum of care concept of a comprehensive prevention and treatment system."".

3. Renumber the succeeding sections accordingly.

The new section adds clarifying language but does not change the intent of the original bill.

Synopsis of Original Bill

House Bill 371 transfers the Behavioral Health Services Division (BHSD) from the Department of Health (DOH) to the Human Services Department (HSD).

FISCAL IMPLICATIONS

There should be only minimal fiscal implications. HSD reports non-recurring costs in FY 08 for moving and voice/data communication set-up in the amount of \$ 13.5. Recurring costs, starting in FY 08, will be for additional rent beyond what is currently paid in FY 07. No FTEs will be increased and current fixed assets and equipment will be transferred.

Current rent is \$12.41 per square foot and is paid to the Runnels Building. The assumption is that regular Santa Fe rent will be \$25.00 per square foot, causing an annual increase in rent.

SIGNIFICANT ISSUES

HSD and DOH report the identical information.

HSD is the lead agency for both the New Mexico Interagency Behavioral Health Purchasing Collaborative (Collaborative) and efforts to close the uninsured gap through *Insure New Mexico!*. HSD's expertise includes managing major federal grant programs to maximize available resources. A major goal of HSD is to improve access to behavioral health services statewide. Moving BHSD to HSD fits the department's mission and the state's goal to improve and streamline behavioral health services in New Mexico Behavioral health services have sometimes been left out of the equation when discussions about improved health care coverage are conducted. BHSD will remain its own division as it moves to HSD and its mission will remain the same: to lead the state's implementation and dissemination of evidence-based practices and to support consumer and family-driven planning and evaluation in local communities; 44 positions will move to HSD. DOH and HSD will work together to ease the transition, and no full-time employee positions (FTE) will be lost in the transition.

TECHNICAL ISSUES

The LFC recommendation created a new program at HSD to accommodate the transfer. The new program will include both the prior years Medicaid behavioral health services as well as the transferred services from DOH. This consolidates behavioral health services as recommended by both a LFC performance audit and the Legislative Health and Human Service Committee. With all behavioral health services combined the accountability and fiscal efficiency will both be enhanced. The total budget for the new behavioral health program will be approximately \$260 million from the existing Medical Assistance Division behavioral health program plus another \$47 million and 44 FTE transferred from DOH. This will be a program with \$300 million budget that will dwarf the other approximate \$10 million of behavioral health services currently under supervision by the Interagency Behavioral Health Purchasing Collaborative.

MW/mt:csd